GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

STARRED QUESTION NO:438
ANSWERED ON:22.08.2003
CLOSURE OF TEXTILE MILLS
RATILAL KALIDAS VARMA

Will the Minister of TEXTILES be pleased to state:

(a) the number of textile mills closed during 2001-02 and 2002-03, State-wise;

(b) the reasons for closure of these mills;

(c) the number of labourers rendered jobless due to closure of these mills, mill wise;

(d) whether the Union Government have any proposal to revive these closed mills;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

Answer

THE MINISTER OF TEXTILES (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) to (f) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION. NO. 438 FOR 22.8.2003

(a) The state wise number of cotton/ man-made fibre textile (Non-SSI) mills closed in the country during 2001-02 and 2002-03is given below:

Sl.No.	State	2001-02	2002-03
1.	ANDHRA PRADESH	3	6
2.	ASSAM	1	1
3.	GUJARAT	2	5
4.	HARYANA	5	3
5.	JAMMU & KASHMIR	1	0
6.	KARNATAKA	2	1
7	KERALA	1	2
8.	MADHYA PRADESH	1	0
9.	MAHARASHTRA	1	0
10.	ORISSA	3	1
11.	PUNJAB	3	6
12.	RAJASTHAN	4	1
13.	TAMILNADU	11	10
14.	UTTAR PRADESH	1	0
15.	WEST BENGAL	2	3
16.	UTTARANCHAL	1	0
17.	PONDICHERRY	0	1
18.	MANIPUR	0	1
	Total	42	41

(b) & (c) : The reason for closure and number of workers affected due to closure of above textile mills is given below :

S.No.	Reasons	2001-02		2002-03	
		No.of Mills	Workers affected	No.of Mills	Workers affected
1	Financial Difficulties	21	10698	19	9649
2	Labour Strike	3	1466	3	909
3	Lockout	2	203	5	3177
4	Others	16	7234	14	4015
	Total	42	19601	41	17750

(d), (e) & (f) The Government seeks to foster a policy regime, which facilitates growth and development ofindustry. The Government has taken a number of steps for revival of sick industrial units which, inter-alia, include, guidelines of the Reserve Bank of India to banks, amalgamation of sick units with healthy units, setting up of Board for industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act, etc. The Reserve Bank of India has been issuing from time to time elaborate guidelines covering all areas of industrial rehabilitation viz. detection of industrial sickness at incipient stage, identification of sick/weak units, carrying out viability study of the units then extending relief and concessions to only viable units, co-ordination among banks and financial institutions and banks themselves, norms for promoter`s contribution, extended period for repayment/rescheduling of loans, conversions and waiver of penal rate/compound interest, etc.

Income tax benefits are granted to healthy units when they take over sick units under Section 72A of the Income Tax Act, 1961. The tax benefit is in the form of carry over of the accumulated losses and unabsorbed depreciation of the sick companies after amalgamation. BIFR provides a forum where the agencies concerned are brought together on a platform for analyzing, diagnosing and evolving a reasonable decision for revival or otherwise of the sick industrial unit.